

**TOP MANAGEMENT ISSUES IDENTIFIED BY THE
OFFICE OF THE INSPECTOR GENERAL**

DECEMBER 2000

Bureau	Top Management Issues	Status/Corrective Actions	Target Date	Contact
Departmentwide	Financial Management (previously Financial Management in the Bureau of Indian Affairs)	The preparation of reliable financial statements as required by the CFO Act continue to be a major challenge facing the Department and its bureaus. The Department has made progress in producing reliable financial statements, several material internal control weakness still exists that could impact the Department's ability to produce reliable financial statements in the future.	On Going	Sky Leshner
Bureau of Land Management	Information Technology (previously Automated Records System)	We are currently participating in a Government-wide review of the our physical and cyber-based infrastructure. We have reissued reviews that have identified significant weaknesses in computer security.	On Going	Kamilah Rasheed
Bureau of Land Management National Park Service Fish and Wildlife Service	Health and Safety (previously Waste Management)	We are addressing the challenge to ensure that facilities are well maintained and that health and safety deficiencies are corrected in a timely manner. This issue is also addressed in the section below.	On Going	Kamilah Rasheed Frank Seng Nancy Cipriano
Departmentwide	Maintenance of Facilities (incorporates Maintenance and National Park Service)	Our reviews have shown that BLM, NPS, BIA, and FWS have inadequate management controls and insufficient funding to effectively manage their maintenance activities. This lack of an adequate standardized automated maintenance management system has severely inhibited the Department's ability to effectively carry out its maintenance management responsibility. The Department has developed an adequate plan to correct the condition.	On Going	Mike Kaas
Bureau of Indian Affairs Territorial and Insular Affairs	Responsibility to Indians and Insular Areas (incorporates Management of Indian Trust Funds and Financial Management in the Insular Areas)	OIG has identified, in our audit reports, over the years, problems in the areas of BIA's trust responsibility, Indian self-determination and self-governance through contracting and compacting, facilities management and roads maintenance, safety management, law enforcement, housing, social services, and education. Our audits have shown that long-standing financial management deficiencies continue to exist in the U.S. insular areas. The insular area governments experience difficulties in the areas of financial management, revenue collection, expenditure controls, and program operations.	On Going	Jerry Fiely Dave Hagestad
Bureau of Land Management Bureau of Reclamation Fish and Wildlife Service National Park Service US Geological Survey	Resource Protection (incorporates Range Monitoring and Land Exchanges)	The Department has myriad responsibilities for protecting and restoring our Nation's natural and cultural resources. For example, OSM is responsible for ensuring that coal mining operations are conducted in an environmentally sound manner and for restoring lands damaged by past coal mining practices; BLM is responsible for ensuring that economic and recreational uses of public lands protect the environment and for protecting our wild horse and burro population; FWS is responsible for maintaining a healthy habitat for our fish and wildlife resources, particularly our endangered and threatened species; NPS is responsible for protecting the natural and cultural resources in our parks; and BOR and USGS are responsible for protecting and improving the quality and quantity of our Nation's water. The Department faces growing challenges in these	On Going	Kamilah Rasheed Luis Maez Nancy Cipriano Frank Seng Carol Aten

		areas as the demand for economic and recreational uses of our lands and water resources increase		
Bureau of Land Management Fish and Wildlife Service Office of Surface Mining	Revenue Collection (incorporates Revenue Collection and Inspection and Enforcement of Fluid Minerals)	While the Department collects over \$8 billion in revenues each year, our audits have shown that the bureaus can make improvements to enhance revenue collections in various programs, including royalties, fee demonstration programs, and cost recovery of reclamation projects. Over the last 3 years, we have issued 14 reports that identified more than \$140 million in lost or potential additional revenues. This amount includes \$71.7 million resulting from the under collection of royalties, \$17.5 million that BOR could have earned if it had identified and sold excess lands, and \$6.6 million that BLM failed to recover for firefighting costs. Also, since 1998, OIG and the Department of Justice have recovered underpaid royalties of more than \$330 million under settlements with oil companies resulting from OIG investigations	On Going	Kamilah Rahseed Nancy Cipriano Vic Christiansen
Departmentwide	Government Performance and Results Act (GPRA)	The Department and the bureaus face a significant challenge in implementing the GPRA requirements for establishing performance goals and measures that effectively demonstrate the accomplishment of their missions. At the request of the Chairman of the Senate Committee on Governmental Affairs, we recently conducted a special review of the Department's implementation of the Act. We concluded that while the Department has made progress in implementing the Act, improvements were needed in some areas.	On Going	Norm Campbell
Bureau of Indian Affairs Fish and Wildlife Service Office of the Secretary	Procurement, Contacts, and Grants	<p>The Department spends substantial resources each year in contracting for goods and services and providing Federal assistance to states and Indian organizations. In fiscal year 1999, the volume of procurement activity exceeded \$3 billion, and the Department provided over \$2 billion to states and Indian tribes in grants and other types of Federal aid assistance. Procurement has historically been an area subject to fraud and waste Government-wide, and OIG has received several hotline complaints in this area.</p> <p>In its fiscal year 1999 Accountability Report, the Department reported that BIA's acquisition management organization, policies, procedures, and guidelines are inadequate, and has been reporting this material weakness since 1991. The Department also reported that management oversight and accountability in FWS's Federal Aid Program have been ineffective because of the lack of adequate management controls, a centralized audit follow-up program, and guidance governing the administration of the Program.</p> <p>One particular area of concern is the Department's new integrated credit card program, which accounted for more than \$300 million of the Department's procurement expenditures in fiscal year 2000. While this program is expected to substantially reduce administrative costs, there is a greater opportunity for unauthorized purchases because of the limited internal controls in the program. We are currently conducting a Department-wide review of this program.</p>	On Going	Jerry Fiely Nancy Cipriano D. Sonderman